

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **Harford County, Maryland: Fitch New Issue Report**

Revenue Framework: 'aaa': The county's primary revenue sources are property and income taxes. Fitch expects general fund revenue growth to be solid. The county has an unlimited legal ability to raise property taxes and gains additional revenue-raising flexibility from the remaining margin below the maximum income tax rate. Expenditure Framework: 'aa': Fitch expects expenditure growth to be marginally above revenue growth mainly due to education, which drives the county's spending needs. Any reduction below the maintenance of effort level would require approval from the state. Increased salary spending is expected to add to expenditure growth. Fixed costs for debt service, pension and other post-employment benefit contributions are expected to remain moderate. Long-Term Liability Burden: 'aaa': The combined burden of debt and unfunded pension liabilities is low at approximately 4% of personal income. Fitch expects the burden to remain low given manageable borrowing plans. Operating Performance: 'aaa': The 'aaa' operating performance assessment reflects the county's superior gap-closing capacity relative to Fitch's expectations of revenue sensitivity to economic cycles, with a solid level of spending flexibility supplemented by ample revenue control and a healthy reserve cushion.

### **ACCESS REPORT**

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